



HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

B-71 Cannon HOB ■ Washington, DC 20515 ■ 202-226-7200 ■ www.house.gov/budget_democrats

January 6, 2003

\$31 Billion in Assistance for States in the House Democratic Stimulus Plan

The House Democratic economic stimulus plan includes four major components to help states deal with the severe fiscal crises they are currently confronting:

- **Medicaid Cost-Sharing** — In the past two years, many states have instituted Medicaid budget cuts, and because of continuing state budget shortfalls, more drastic cuts are sure to follow. House Democrats propose a one-year, one-time increase in the federal share of Medicaid payments, as provided in the Dingell-Brown bill, H.R. 3414. Cost = \$10 billion in 2003 and over 2003-2013.

Assistance for States in the House Democratic Stimulus Proposal

	Cost
Medicaid Cost-Sharing	\$10 billion
Homeland Security Grants	\$10 billion
Federal Aid for Highways	\$5 billion
Special Support for Critical State Needs	\$6 billion
Total:	\$31 billion

- **Homeland Security** — To help states with urgent, unmet needs in homeland defense, Democrats propose one-time federal grants totaling \$10 billion. These grants would strengthen security at transportation facilities, would equip first responders, and would help states with other needs such as public health preparedness. Within this total, \$3 billion is slated for securing transit facilities and \$2 billion for airport security improvements. Cost = \$10 billion in 2003 and over 2003-2013.

(OVER)

- ***Federal Aid for Highways*** — Investment in infrastructure is a proven way to create jobs and stimulate the economy, while at the same time addressing the states' backlog of needed infrastructure improvements. Democrats propose an additional \$5 billion in federal-aid highway funding for 2003, with cost-sharing requirements deferred for up to two years to ensure that states can utilize this additional federal assistance. Cost = \$5 billion in 2003 and over 2003-2013.
- ***Special Support for Critical Needs*** — Democrats propose one-time assistance to help those hurt most by unemployment and the stagnant economy. Cost = \$6 billion over 2003-2013.